

January 25, 1951.

Passed on File.

House File 214

By COMMITTEE ON BANKS AND BANKING.

Passed House, Date

Vote: Ayes..... Nays.....

Passed Senate, Date

Vote: Ayes..... Nays.....

Approved

A BILL FOR

An Act to amend section five hundred twenty-six point
thirty-two (526.32), Code 1950, to include the surplus
funds of state banks and trust companies.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. That section five hundred twenty-six
- 2 point thirty-two (526.32), Code 1950, be and the same is
- 3 hereby amended by inserting in line two (2) thereof after
- 4 the word “bank”, the words, “state bank or trust company”.

EXPLANATION OF H. F. 214

Section 526.32 of the Code prescribes how directors of savings banks shall maintain and use a savings bank’s “Surplus” Fund. However, the banking laws are silent with respect to state banks and trust companies in that regard. The State Banking Department recommends that the same restrictions that apply to savings banks should equally apply to state banks and trust companies. Today there are more state banks than savings banks. That was not so when Section 526.32 was first enacted many years ago. The proposed amendment will put all savings banks, state banks and trust companies on a parity in this respect.